Trade deficit

†315. SHRIMATI KUM KUM RAI: Will the Minister of COMMERCE AND INDUSTRY be pleased:

(a) whether the trade deficit of the country has started increasing again as a result of which economy is being adversely affected;

(b) if so, the details thereof; and

(c) the steps being taken by Government to correct the trade imbalance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) According to provisional data of the Directorate General of Commercial Intelligence & Statistics (DGCI&S), Kolkata, trade deficit of the country increased from US$ 22.8 billion during April-January 2004-05 to US$ 33.8 billion in April-January 2005-06. One of the important reasons for widening trade deficit during the current financial year has been the increase in oil-imports by 47 percent.

(c) There are no measures to restrict imports or artificially balance trade that may lead to dampening of the growth of the economy or resurgence of inflationary pressures. However, export promotion is constant endeavor of the Government and a number of measures have been taken recently to further boost export. These include, *inter-alia*, bringing into force the SEZ Act 2005 to trigger a larger flow of investment in infrastructure and productive capacity; setting up Free Trade Warehousing Zones (FTWZs); giving a major thrust to procedural simplification reduce transaction cost of exporters; and signing regional trade agreements to leverage exports in line with India's comparative advantage.

PTA with Mauritius

316. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have given its go-ahead to the Preferential Trading Arrangement with Mauritius as a part of the Comprehensive Commercial and Economic Partnership Agreement;

(b) if so, the details worked out in this regard; and

†Original notice of the question was received in Hindi.